

# HOW TO COMPLETE YOUR PERIODIC RENTAL MOTOR VEHICLE AND TOUR VEHICLE SURCHARGE TAX RETURN (FORM RV-2)

## **CHANGES TO NOTE**

Act 223, Session Laws of Hawaii 1999, increased the surcharge tax on rental motor vehicles from \$2 per day to \$3 per day during the period of September 1, 1999 to August 31, 2007. Legislation in 2007 extended the \$3 per day rate to August 31, 2008. On September 1, 2008, the rate reverts back to \$2 per day.

Effective July 1, 2006, the rental motor vehicle surcharge tax does not apply to the rental or lease of a vehicle to replace a vehicle of the lessee that is being repaired, provided:

- the lessor retains a record of the repair order for the vehicle for 2 years for verification purposes, or
- the motor vehicle repair dealer retains a record of the repair order for 2 years as provided in section 437B-16, Hawaii Revised Statutes (HRS).

For the purposes of this exclusion, a "repair order" is an invoice as required under section 437B-13, HRS. Also, for the purposes of the exclusion, "repair" shall have the same meaning as the definition of "repair of motor vehicles" in section 437B-1, HRS.

## **INTRODUCTION**

The rental motor vehicle and tour vehicle surcharge tax (RV tax) contains two separate taxes with different tax rates. The rental motor vehicle surcharge tax is levied at the rate of \$3 per day or a portion of a day for the period of September 1, 1999 to August 31, 2008 and \$2 per day or a portion of a day after August 31, 2008 on the lessor of any rental motor vehicle. The tour vehicle surcharge tax is imposed on tour vehicle operators for use of a vehicle on a monthly basis, or a portion of a month at the following rates:

- \$65 - Over 25 passenger tour vehicle; and
- \$15 - 8 to 25 passenger tour vehicle.

RV tax returns (Form RV-2) are filed monthly, quarterly, or semiannual basis depending on the amount of a person's tax liability. An annual return and reconciliation (Form RV-3) summarizing activity for the past year also must be filed on or before the twentieth day of the fourth month following the close of the taxable year.

Taxpayers whose liability for the RV tax exceeds \$100,000 per year are required to pay the tax by Electronic Funds Transfer (EFT).

These instructions will assist you in filling out your periodic RV tax returns (Form RV-2) correctly.

To properly enter the necessary information into our computer system, the tax returns must be filled in completely and accurately.

If a payment is being made with Form RV-2, make your check or money order payable to "Hawaii State Tax Collector." Write "RV", the filing period, and your Hawaii Tax I.D. No. on the check. Also complete the tax payment voucher (Form VP-1R) located at the bottom of your Form RV-2 (CAUTION: do not submit a photocopy of Form VP-1R; if you are not using Form VP-1R, complete Form VP-1). Attach your check or money order and your tax payment voucher where indicated on the front of Form RV-2.

## **IMPORTANT!!!**

Write "RV", the filing period, and your Hawaii Tax I.D. No. on your check so that it may be properly credited to your account. **If you do not have any activity, and the result is no tax liability, enter "0" on Line 8. This periodic return must be filed.**

If you have questions, please contact the customer service staff of our Taxpayer Services Branch at:

Voice: 808-587-4242  
1-800-222-3229 (Toll-Free)  
Fax: (808) 587-1488

Mail: Taxpayer Services Branch  
P.O. Box 259  
Honolulu, HI 96809-0259  
E-mail: Taxpayer.Services@hawaii.gov

Telephone for the Hearing Impaired:  
808-587-1418  
1-800-887-8974 (Toll-Free)

Follow the example presented in *italics* for a sample of how to fill out the form. The circled numbers on the sample form correspond to the steps in the instructions.

**NOTE:** On September 1, 2008, the rental motor vehicle surcharge tax rate reverts back to \$2 per day or a portion of a day.

*Example: A taxpayer, BTK Rentals and Tour Vehicles (BTK), with Hawaii Tax I.D. No. W12345678-01, files its January return. BTK has twenty rental cars, two tour vehicles (8-25 passengers), and one tour vehicle (40 passengers) on Oahu. BTK also has ten rental cars on Maui. The twenty cars on Oahu were rented for 550 rental days of which 25 rental days were to lessees whose vehicles were being repaired. The cars on Oahu were, therefore, rented for a total of 525 net rental days. The ten cars on Maui were rented for a total of 270 rental days. Both of the vans and the tour bus were in service for the month of January.*

## THE TOP OF THE TAX RETURN (fig. 2.0)

**STEP 1** - If a name is not already printed on the form, write in your name (taxpayer's name) in the area provided.

**STEP 2** - If a Hawaii Tax I.D. No. is printed on the form, make sure it is correct. If the preprinted number is incorrect, write in the correct number. If it is not printed on the form, write it in the area provided.

**STEP 3** - If the form is not preprinted with the filing period, place an "X" in the appropriate box to indicate the filing period (Month, Quarter, or Semiannual Period) for which the tax return is being filed. Write in the month, quarter, or semiannual period and year covered by the return.

*BTK files monthly returns, so an "X" was placed in the box labeled "MONTH" and BTK wrote "January 1, 2008" and "January 31, 2008" as the "Beginning" and "Ending" dates, respectively, for the period that the return covers.*

**STEP 4** - If the last 4 digits of your FEIN or SSN are printed on the form, make sure they are correct. If the preprinted numbers are incorrect, write in the correct numbers. If they are not printed on the form, write them in the area provided.

FORM RV-2 (REV. 2007)	STATE OF HAWAII — DEPARTMENT OF TAXATION	DO NOT WRITE IN THIS AREA	80
<b>1</b>	<b>RENTAL MOTOR VEHICLE AND TOUR VEHICLE SURCHARGE TAX</b>		
NAME: BTK Rentals and Tour Vehicles		<b>2</b>	
<input checked="" type="checkbox"/> Month <input type="checkbox"/> Quarter <input type="checkbox"/> Semiannual Period		<b>HAWAII TAX I.D. NO.</b>	
Beginning January 1, 20 08 and Ending January 31, 20 08		W 1 2 3 4 5 6 7 8 - 0 1	
(Do not combine your income for more than one filing period on this return.)		<b>LAST 4 DIGITS OF YOUR FEIN OR</b>	
		<b>4</b> 1 2 3 4	
COLUMN A		COLUMN B	COLUMN C

fig. 2.0

## COMPUTING THE TAXES (fig. 2.1)

**STEP 5** - Column A, Lines 1 through 4. Enter the number of days that your rental motor vehicles were rented during the period. If filing quarterly or semiannually, add the Rental Motor Vehicle days for each month during the period, and enter the totals on the appropriate lines.

For example, if you have five cars on Oahu and they were each rented for thirty days during the period, enter "150" (5 x 30) in Column A, Line 1.

All activities must be allocated to their proper district(s). If you enter an amount on the "Totals" line (line 5) of any column, you must enter amount(s) which equal that total on the district allocation lines (line 1 through 4) of that column, or we will not be able to correctly process your tax return.

*For Column A, Line 1 (Rental Motor Vehicle days on Oahu), BTK has entered the net rental days of "525." For Column A, Line 2, (Rental Motor Vehicle days on Maui) BTK has entered the net rental days of "270."*

**STEP 6** - Column B, Lines 1 through 4. Enter the number of tour vehicles (8-25 passengers) used during the period for each District. If filing quarterly or semiannually, multiply the number of tour vehicles by the number of months in the period.

*In Column B, Line 1, BTK has entered "2" for the number of tour vehicles for Oahu.*

**STEP 7** - Column C, lines 1 through 4. Enter the number of tour vehicles (26 or more passengers) used during the period for each district. If filing quarterly or semiannually, multiply the number of tour vehicles by the number of months in the period.

*In Column C, Line 1, BTK has entered "1" for the number of tour vehicles for Oahu.*

**STEP 8a.** - Add the number of Rental Motor Vehicle Days from Column A for all districts (Lines 1 through 4).

*In Column A, Line 5, BTK has entered 795 rental vehicle days for the month of January.*

**STEP 8b.** - Add the number of tour vehicles from Column B for all districts (Lines 1 through 4).

*In Column B, Line 5, BTK has entered 2 tour vehicles for the month of January.*

**STEP 8c.** - Add the number of tour vehicles from Column C for all districts (Lines 1 through 4).

*In Column C, Line 5, BTK has entered 1 tour vehicle for the month of January.*

**STEP 9a** - In Column A, multiply the number entered on Line 5 by the tax rate of \$3 (Line 6), and enter the result on Line 7.

*BTK has multiplied 795 (the number of vehicle days entered on Line 5) by \$3 (the tax rate listed on Line 6) to get \$2,385, which is entered in Column A, Line 7 ( $795 \times \$3 = \$2,385$ ).*

**STEP 9b** - In Column B, multiply the number entered on Line 5 by the tax rate of \$15 (Line 6) and enter the result on Column B, Line 7.

*BTK has multiplied 2 (the number of tour vehicles in use during the month on Line 5) by \$15 (the tax rate listed on Line 6) to get \$30, which is entered in Column B, Line 7 ( $2 \times \$15 = \$30$ ).*

**STEP 9c** - In Column C, multiply the number entered on Line 5 by the tax rate of \$65 (Line 6), and enter the result on Line 7.

*BTK has multiplied 1 (the number of tour vehicles in use during the month on Line 5) by \$65 (the tax rate on Line 6) to get \$65, which is entered in Column C, Line 7 ( $1 \times \$65 = \$65$ ).*

MONEY ORDER AND FORM VP-1R HERE •

		COLUMN A		COLUMN B		COLUMN C		
		Rental Motor Vehicle Surcharge <b>5</b> Enter the Number of Rental Motor Vehicle Days		Tour Vehicle Surcharge Tax <b>6</b> Enter the Number of Tour Vehicles Carrying 8 - 25 Passengers		Tour Vehicle Surcharge Tax <b>7</b> Enter the Number of Tour Vehicles Carrying 26 or More Passengers		
1	OAHU DISTRICT	525		2		1		1
2	MAUI DISTRICT	270						2
3	HAWAII DISTRICT							3
4	KAUAI DISTRICT							4
5	TOTALS (Add lines 1 thru 4 of columns A, B, and C)	<b>8a</b>	795	<b>8b</b>	2	<b>8c</b>	1	5
6	RATES	\$3		\$15		\$65		6
7	TAXES (Multiply line 5 by line 6 of columns A, B, and C)	<b>9a</b>	2,385	<b>9b</b>	30	<b>9c</b>	65	7

fig. 2.1

## FINISHING THE TAX RETURN (fig. 2.2)

**STEP 10** - Add Columns A through C of Line 7, and enter the total on Line 8. This is the total tax due. **CAUTION: LINE 8 MUST BE FILLED IN.** If you do not have any rental motor vehicle or tour vehicle activity and therefore have no tax due, enter a zero (0) on Line 8.

*BTK has added \$ 2,385, \$ 30, and \$ 65 for a total of \$ 2,480 which is entered on Line 8.*

**STEP 11** - If there is tax due on the return and you file and pay the tax return after the due date, penalty is assessed at the rate of 5% a month, or part of a month, from the due date to the filing date, to a maximum of 25%. Interest is assessed at the rate of 2/3 of 1% a month, or part of a month, on the unpaid tax and penalty. After computing the penalty and interest amounts, enter the penalty on Line 9a and the interest on Line 9b.

If you are unable to compute the penalty and interest, leave Lines 9a and 9b blank. The Department will compute it for you and send you a bill.

**STEP 12** - Add the amounts on Lines 8, 9a, and 9b, and enter the sum on Line 10. This is the amount of your total payment due, including any penalty and interest. If you are not making a payment, enter a zero (0).

**STEP 13** - Sign your tax return. The sole proprietor, a partner or member, corporate officer, or an authorized agent must sign and date the tax return, state his/her title, and write the date the return is signed.

• ATTACH CHECK OR MONEY ORDER	7	TAXES (Multiply line 5 by line 6 of columns A, B, and C)	(9a)	2,385	00	(9b)	30	00	(9c)	65	00	7
	IF YOU DO NOT HAVE ANY ACTIVITY, AND THE RESULT IS NO TAX LIABILITY, ENTER "0" ON LINE 8. THIS RETURN MUST BE FILED.		8	TOTAL TAXES DUE (Add line 7, columns A thru C, and enter here)		(10)	2,480		00	8		
	<b>FOR LATE FILING ONLY</b> →		9a	PENALTY		(11)				9a		
			9b	INTEREST						9b		
	ATTACH YOUR CHECK OR MONEY ORDER PAYABLE TO "HAWAII STATE TAX COLLECTOR" IN U.S. DOLLARS DRAWN ON ANY U.S. BANK AND FORM VP-1R TO FORM RV-2. WRITE "RV," THE FILING PERIOD, AND YOUR HAWAII TAX I.D. NO. ON YOUR CHECK OR MONEY ORDER.		10	PLEASE ENTER AMOUNT OF YOUR PAYMENT (add lines 8, 9a and 9b)		(12)	2,480		00	10		

I declare, under the penalties set forth in section 231-36, HRS, that this is a true and correct return, prepared in accordance with the provisions of the Rental Motor Vehicle and Tour Vehicle Surcharge Tax Law and the rules issued thereunder.

IN THE CASE OF A CORPORATION OR PARTNERSHIP, THIS RETURN MUST BE SIGNED BY AN OFFICER, PARTNER OR MEMBER, OR DULY AUTHORIZED AGENT.

SIGNATURE: Betty T. Kealoha (13) TITLE: owner DATE: 2/27/08 DAYTIME PHONE NUMBER: (808) 423-4567

fig. 2.2

## SENDING IN THE TAX RETURN AND PAYMENT

**STEP 14** - If you will be making a payment with your tax return, complete the tax payment voucher (Form VP-1R) located at the bottom of your Form RV-2 by entering the beginning and ending dates of the period that the payment is being made for, your Hawaii Tax I.D. No., your name, and the amount of the payment (fig. 2.3).


Detach the completed Form VP-1R from your Form RV-2 and attach it together with your check made payable to the "HAWAII STATE TAX COLLECTOR" in U.S. dollars to the tax return. Write "RV," the filing period, and your Hawaii Tax I.D. No. on the check so that it may be properly credited to your account (CAUTION: do not submit a photocopy of Form VP-1R; if you are not using Form VP-1R, complete Form VP-1). Attach your check or money order and your tax payment voucher where indicated on the front of Form RV-2. **DO NOT SEND CASH.**

— MAILING ADDRESS —  
 Hawaii Department of Taxation  
 P.O. Box 2430  
 Honolulu, HI 96804-2430

FORM RV-2 **80**

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Form (Rev. 2007)  
**VP-1R**



Period Beginning 01/01/08 and Ending 01/31/08  
MM/DD/YY MM/DD/YY

Hawaii Tax I.D. No. W 12345678-01

Name  
BTK Rentals and Tour Vehicles

2004400090115

STATE OF HAWAII — DEPARTMENT OF TAXATION  
 TAX PAYMENT VOUCHER  
 RENTAL MOTOR AND TOUR VEHICLE

LAST 4 DIGITS OF YOUR FEIN OR SSN  
1234 (14)

DO NOT WRITE OR STAPLE IN THIS SPACE

DO NOT SUBMIT PHOTOCOPIES OF THIS FORM

Print the amount of your payment in the space provided. ATTACH THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO "HAWAII STATE TAX COLLECTOR" TO FORM RV-2. Write "RV," the filing period, and your Hawaii Tax I.D. No. on your check or money order.

Amount of Payment

\$ 2,480.00

fig. 2.3